

Exhibit D

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

POLYSCIENCES, INC.,

Plaintiff,

v.

JOSEPH T. MASRUD,

Defendant.

Civil Action No.

VERIFIED COMPLAINT

Plaintiff, Polysciences, Inc. (“Polysciences”), brings this Verified Complaint against Defendant, Joseph T. Masrud (“Mr. Masrud or “Defendant”), and alleges as follows:

Nature of Action

1. This is an action by Polysciences against its former employee, Mr. Masrud, arising from his misappropriation of trade secrets and other proprietary and confidential information, which Mr. Masrud obtained during his employment with Polysciences, and improperly used to launch copycat versions of Polysciences products.

2. Defendant’s unlawful acts include misappropriation of trade secrets under the Pennsylvania Uniform Trade Secrets Act (“PUSTA”) and the Defend Trade Secrets Act of 2016 (“DTSA”), 18 U.S.C. § 1836(b)(1); and breach of his Confidentiality & Proprietary Agreement he entered into on or about January 5, 2014 as a condition of his employment with Polysciences. Mr. Masrud has used the misappropriated information to offer copycat versions of two highly specialized and valuable Polyethylenimine (“PEI”) transfection reagents sold by Polysciences. Mr. Masrud sells his copycat products through his wholly owned company, Serochem, a company Mr. Masrud formed just prior to terminating his employment at Polysciences.

3. Polysciences is a decades-old manufacturing company, established in 1961, with a long history of manufacturing unique, high quality chemicals including high-purity monomer and polymer products used in many scientific applications, medical devices, and medical research. Polysciences is a trusted partner of numerous reputable pharmaceutical and biotechnology companies developing gene/cell therapy products. During the last decade, Polysciences has developed and introduced a range of unique PEI transfection reagents in various quality grades (medical grade versions compliant with FDA's current Good Manufacturing Practices ("cGMP") and industrial grade versions used in research and development).

4. As more fully set forth below, Mr. Masrud's responsibilities as Business Development Manager, Business Manager and then Director of Laboratory Products at Polysciences provided him access to all of Polysciences trade secret and other confidential and proprietary information regarding Polysciences PEI products including both technical information and strategic commercial information developed and gathered by Polysciences over years of effort at a substantial cost. This proprietary trade secret and confidential information includes, without limitation Polysciences: step-by-step, detailed manufacturing instructions outlining raw materials, process parameters, and other procedures to synthesize the PEI products, prepare the solution, and package the materials; design of the PEI chemistry, including molecular weight, molecular structure, product form, and process and compounds used to create the desired pH of the solution; key raw material supplier data and specifications; sourcing of novel and rare supply materials; internal test procedures and methods to determine key material characteristics; identification and selection of third party laboratories for testing of sterility, mycoplasma, heavy metals and endotoxin; identification and selection of third party testing partners to determine transfection efficiency, expression, and cell viability; selection of specific

sterile filtering process parameters to avoid techniques that could adversely impact polymer properties; strategy to pursue development for improved solubility; the neutralization process and compounds used to produce the desired pH; customer lists including customer specific pricing and product specifications, customer contacts, product pricing and cost details and strategy, margins, competitive strategy and product positioning, and sales history for top PEI products and future forecasts; and receipt of confidential information from customers for specific product-related projects (collectively “Polysciences Trade Secrets”).

5. Mr. Masrud could not have launched his PEI products at Serochem in a matter of months after leaving Polysciences without using his knowledge of Polysciences Trade Secrets and confidential information. Indeed, Mr. Masrud had no experience in the business or with PEI products in particular prior to joining Polysciences. Further, Mr. Masrud spent years at Polysciences working on the launch of Polysciences’ transfection PEI products, including its two most recent PEI products, yet within months of leaving Polysciences, he launched the two PEI products that the Serochem website claims are at least the same quality as Polysciences PEI products but at a much cheaper price. In fact, Mr. Masrud claimed in responding to Polysciences cease and desist letter that Serochem’s products “provide a significant performance benefit over Polysciences’ products at a lower price point.” Attached hereto as **Exhibit 1** is a true and correct copy of the Letter from Mr. Masrud’s attorney to Fox Rothschild LLP dated July 16, 2020.

6. It is easy to cut the price of a product when you have not paid for the development of it. More to the point, Polysciences product specifications and cost and pricing data are part of its trade secrets and Mr. Masrud’s claim in his letter is an admission that he has used that information in launching his products “at a lower price point.” See Ex. 1.

7. Mr. Masrud’s failure to abide by the Confidentiality & Proprietary Agreement and his theft of Confidential & Proprietary information is not only a breach of his contract but also

applicable regulatory requirements. ChemStewards® is SOCMA's environmental, health, safety and security performance improvement program.

19. The manufacturing facilities at Polysciences include multi-step synthesis, distillation and drying, recrystallization and filtration & clean room operations working within FDA/GMP (Good Manufacturing Practices) guidelines, specifically developed to suit their customer's specialized needs.

20. FDA ensures the quality of drug products by carefully monitoring drug manufacturers' compliance with its GMP regulations, which contain minimum requirements for the methods, facilities, and controls used in manufacturing, processing, and packing of a drug product. The regulations, which appear in several parts of the Code of Federal Regulations, including sections in parts 1-99, 200-299, 300-499, 600-799, and 800-1299, make sure that a product is safe for use, and that it has the ingredients and strength it claims to have.

21. Polysciences sells its products to a broad customer base directly with valued customers who have relied on its expertise and commitment to customer service and confidentiality, through affiliates and distributors, at national and international trade shows and events; and through its catalogs and websites.

22. The linear transfection PEI products are the fastest growing and most profitable products in the Lab Products business, which focuses on primarily monomers and polymers that are used in medical device, pharmaceutical and industrial research and development applications. The growth in this product line followed a strategic research, development and marketing analysis and the success of sales of these products resulted from an in-depth understanding of their successful applications in research laboratories, which Mr. Masrud learned only through his employment at Polysciences and access to the Polysciences Trade Secrets and confidential information.

53. During his employment, Mr. Masrud was responsible for the research, development and oversight of PEI products and as Director of Lab Products from September 2016 until June 2019 oversaw the development of the cGMP PEI Products.

54. Polysciences invested over \$600,000 in out of pocket expenses and years of internal effort in the development and marketing of its PEI Products, which involved meticulous development of manufacturing processes and product specifications, including in many cases trial and error to determine the preferred product manufacturing and supply processes and details as well as the preferred product recipe.

55. As Development Manager, Business Manager, and Director of the Lab Products Group Mr. Masrud had access to and had to utilize Polysciences Trade Secrets.

56. In his leadership roles in the Lab Products Group Mr. Masrud had access to a license to the section of Polysciences' password protected database that contained the trade secret and confidential information meticulously developed by Polysciences over years of effort.

57. As Director of the Lab Products Group, and during the development of the cGMP PEI products, a multi-year endeavor from 2015-2019, Mr. Masrud had access to and utilized Polysciences Trade Secrets using its password-protected database.

58. Polysciences launched sales of its cGMP PEI solution and powder in early September 2019, after a multi-year endeavor to manufacture, test, and validate these products. Polysciences' PEI product sales tripled in 2019 and are expected to triple again in 2020, making it the fastest growing and most profitable product line of Polysciences Lab Group with anticipated continued substantial growth after 202, provided illegal misappropriation of Polysciences Trade Secrets can be curtailed.

59. The cGMP PEI Products have huge potential growth for Polysciences and are one of the most significant products ever added to the business unit.

66. Upon information and belief, Serochem's products are copycat versions of Polysciences non-cGMP PEI Products that Mr. Masrud learned how to make and market from access to Polysciences Trade Secrets while employed by Polysciences.

67. On July 13, 2010, the Serochem website included "PEI Prime™ Data for CHO Suspension" where PEI Prime™ is compared to popular transfection-grade PEI, including Polysciences PEI products. There was also a link to an article, "Comparative study of polyethylenimines for transient gene expression in mammalian HEK293 and CHO cells" which discusses the superior performance of Polysciences PEI products. Attached hereto as **Exhibit 8** is a true and correct copy of the Serochem webpage downloaded on July 13, 2020 and attached hereto as **Exhibit 9** is a true and correct copy of the article.

68. Upon information and belief, the Serochem website was modified after Mr. Masrud received a Cease and Desist demanding that he stop selling the PEI based products, but the website still describes PEI Prime™ as "a choice reagent for production for recombinant proteins, antibodies and viruses in mammalian expression systems."

69. On July 8, 2020, Fox Rothschild LLP, representing Polysciences, sent Mr. Masrud c/o Serochem a Cease and Desist letter demanding that he stop selling the PEI based transient transfection reagents and reminding Mr. Masrud of his post-employment confidentiality obligations to Polysciences, which prohibit the misappropriation of trade secrets. Attached hereto as **Exhibit 10** is the July 8, 2020 letter sent to Mr. Masrud from Fox Rothschild LLP.

70. On July 16, 2020, Mr. Masrud responded through counsel to the July 8 letter, in which Mr. Masrud flatly refused to stop selling Serochem's PEI Prime Powder and PEI Prime AQ products. See Ex. 1. The letter from counsel acknowledged, however, that Mr. Masrud had undercut Polysciences' prices and had essentially sought to design around Polysciences products.

86. Injunctive relief would be consistent with public policy and in the public's interest, in that it is both necessary and reasonable to protect Polysciences legitimate interests in the Polysciences Trade Secrets.

Count II
Misappropriation of Polysciences Trade Secrets in Violation of the Pennsylvania Uniform Trade Secrets Act

87. Polysciences incorporates by reference the averments of the previous paragraphs as if fully set forth herein.

88. Polysciences owns certain confidential, proprietary, and trade secret information with respect to its PEI products developed at great cost and effort over many years as previously alleged.

89. Polysciences Trade Secrets have independent economic value, are not generally known to or readily ascertainable by persons outside Polysciences and provide Polysciences with an economic and competitive advantage in the marketplace involving sales of highly technical and valuable viral vector manufacturing applications to pharmaceutical companies, contract manufacturing organizations that are commercializing gene therapies, antibody manufacturers and companies that choose transient transfection.

90. Through its years of experience, Polysciences also developed precise protocols, business development plans, customer lists including customer pricing and related data, which provides Polysciences a competitive advantage in the marketplace and are part of the Polysciences Trade Secrets.

91. As a result of Mr. Masrud's employment with Polysciences, Mr. Masrud used, received, and had knowledge of Polysciences Trade Secrets.

92. Mr. Masrud has used, relied on and/or referred to Polysciences Trade Secrets and Confidential Information to sell, through interstate commerce, Serochem's copycat PEI products.

secrets and loss of its brand recognition and goodwill for its PEI products painstakingly developed over years by Polysciences from use of its trade secrets and Polysciences will continue to suffer said injury, loss, harm or damage unless and until Defendant is restrained from his continued misappropriation and exploitation of Polysciences Trade Secrets, including his current sales of PEI products and futures sale of cGMP PEI Products developed or sold from using Polysciences Trade Secrets.

Count III
Misappropriation of Trade Secrets in Violation of Defend Trade Secrets Act

99. Polysciences incorporates by reference the averments of the previous paragraphs as if fully set forth herein.

100. Polysciences owns certain confidential, proprietary, and Trade Secret information with respect to its PEI products developed at great cost and effort over many years as previously alleged.

101. Polysciences Trade Secrets have independent economic value, are not generally known to or readily ascertainable by persons outside Polysciences and provide Polysciences with an economic and competitive advantage in the marketplace involving sales of highly technical and valuable testing reagents to biomedical researchers and pharmaceutical companies.

102. Through its years of experience, Polysciences also developed precise protocols, business development plans, customer lists including pricing and related data, which provides Polysciences a competitive advantage in the marketplace and are part of the Polysciences Trade Secrets.

103. As a result of Mr. Masrud's employment with Polysciences, Mr. Masrud used, received, and had knowledge of Polysciences Trade Secrets.